

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Airport	(2) MEETING DATE 11/06/2012	(3) CONTACT/PHONE Richard Howell 781-5205	
(4) SUBJECT Request to reject public bid for construction services for Runway Safety Area Improvements, adopt revised Contract Documents (Clerks File) and authorize public rebidding for construction services at the San Luis Obispo County Regional Airport. District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Reject the sole public bid for construction services for Runway Safety Area Improvements; 2. Adopt the revised Contract Documents (Clerks File) and authorize public bidding for construction services for the Runway Safety Area Improvements; 3. Instruct the County Clerk to give Notice to Bidders, calling for sealed bids no later than 3:00 PM on November 19, 2012; 4. Delegate authority to the County Purchasing Agent or her designee to award a construction contract to the successful bidder; 5. Approve the work order with Reynolds, Smith and Hill (RS&H) for additional design work; and 6. Authorize a Budget Adjustment in the amount of \$65,750 transferring funds from the Parking Lot Upgrade Project to fund the Runway Safety Area Improvement project. (4/5 vote)			
(6) FUNDING SOURCE(S) Tax Reduction Reserve Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$98,370	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001204		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1213022 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 8/7/12, 7/10/12, 6/7/11	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Vincent Morici			
(18) SUPERVISOR DISTRICT(S) District 3 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Airport / Richard Howell
781-5205

DATE: 11/06/2012

SUBJECT: Request to reject public bid for construction services for Runway Safety Area Improvements, adopt revised Contract Documents (Clerks File) and authorize public rebidding for construction services at the San Luis Obispo County Regional Airport. District 3.

RECOMMENDATION

It is recommended that the Board:

1. Reject the sole public bid for construction services for Runway Safety Area Improvements;
2. Adopt the revised Contract Documents (Clerks File) and authorize public bidding for construction services for the Runway Safety Area Improvements;
3. Instruct the County Clerk to give Notice to Bidders, calling for sealed bids no later than 3:00 PM on November 19, 2012;
4. Delegate authority to the County Purchasing Agent or her designee to award a construction contract to the successful bidder;
5. Approve the work order with Reynolds, Smith and Hill (RS&H) for additional design work; and
6. Authorize a Budget Adjustment in the amount of \$65,750 transferring funds from the Parking Lot Upgrade Project to fund the Runway Safety Area Improvement project (4/5 vote).

DISCUSSION

In June of 2011 your Board created the capital project to improve the Runway Safety Area at the San Luis Obispo County Regional Airport and authorized a budget adjustment in the amount of \$32,620 for initial design work. This project was required as a result of changes to Federal Aviation Administration (FAA) safety regulations and standards, a FAA write-up during the Airport's 2011 Annual FAA Certification Inspection, and meetings with the FAA Airports District Office (ADO) in San Francisco. The project called for removing a non-standard taxiway between the edge of the main runway (11/29), and the threshold of runway 25. Airport Services and the FAA agreed the safest approach to correcting this issue was to remove the pavements between the two runways that created the situation. The capital project also called for the installation of surface mounted hold signs as well as enhanced taxiway centerlines leading to all runways per new FAA standards. The intent of the changes by the FAA were to increase situational awareness of pilots as they approach or exit runways thereby improving safety and minimizing the potential for incidents or accidents.

The FAA identified January 2012 as the date for removal of the taxiway and April 2012 for installation of the new markings. Airport Services intended to perform all of the work in 2011 using annual Airport Improvement Program (AIP) entitlement funding from FAA. For a variety of reasons, not the least being the FAA shutdown in the late summer of 2011, planning for the project was delayed and grant funding was not obtained. To meet the minimum regulatory standard, Airport Services made an incremental improvement related to the taxiway issue by repainting markings in the area in January 2012. The FAA Reauthorization Bill was passed in early 2012 and in a meeting with the Airport in April 2012 the FAA ADO again expressed its desire to participate in the pavement removal project using 2012 Federal airport entitlement funds. Airport Services proceeded with design as FAA grants are only awarded based on Bids.

On July 10, 2012 your Board authorized public bidding for this project with a bid opening date of July 30, 2012. After the

start of the bid process, the FAA ADO notified Airport Services that the FAA had changed its position on the project and would not contribute funding for the project in 2012. As a result, Airport Services had to modify the scope of work in the invitation to bid to delete the work associated with the pavement removal and to continue with the installation of the required FAA markings. However, design work had been completed. To avoid further delay of this project and potential penalties from the FAA for non-compliance, on August 7, 2012 your Board approved an Addendum extending the bid opening date from July 30, 2012 to August 16, 2012, which is permitted under Public Contract Code section 4104.5. The Addendum also reflected the reductions to the scope of work.

Due to the reduction in scope of work the engineer's estimate of overall cost was decreased. As a result of the reduced costs, at the same time your Board approved the Addendum, you also authorized the use of the informal bid process and delegated authority to award the bid to the County Purchasing Agent. However, the County only received one bid in the amount of \$273,130 from Sterndahl Enterprises, which exceeded the monetary informal bidding limits and exceeded the engineer's estimate by \$173,130. The General Services Agency attributes this to the material requirements for the surface mounted hold signs which are to be installed at each taxiway-runway intersection. The bid specified the markings to be made of Preformed Thermoplastic material rather than paint. The thermoplastic material, only available from an FAA approved manufacturer for installation on airports, was selected for its extreme durability lasting 8 to 12 times longer than paint, greatly reducing maintenance costs over the life of the product. However the difference in price offsets any maintenance savings to be gained. The unique materials identified for installation for the surface mounted hold signs resulted in only one company in California being qualified to perform that portion of the work at the time of bid opening. The General Services Agency has revised the contract documents to eliminate the use of the thermoplastic material, allowing the use of paint, and eliminating the requirement for night time work along with other minor modifications to the scope.

General Services Agency requests your board reject the bid received on August 16, 2012, adopt the revised contract documents and authorize public bidding for construction services for the Runway Safety Area Improvements at the San Luis Obispo County Regional Airport, calling for sealed bids no later than 3:00 PM on November 19, 2012.

Just as in the previous Board action on this item, General Services Agency also requests your Board authorize use of the informal bid process and delegate authority to award the bid to the County Purchasing Agent as set out in the County's Contracting for Services Policy, the County's Ordinance, and the California Uniform Cost Accounting Act (Public Contract Code Section 22034). By continuing with this process, Airport Services will be able to move forward, scheduling construction to complete work as quickly as possible to satisfy FAA safety requirements.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has provided recommendations based on the substantial changes to the project following the initiation of the public bidding process and reviewed the contract documents for legal effect.

FINANCIAL CONSIDERATIONS

The original project estimate was \$310,723 which included all design, administrative and construction costs. Once the FAA rescinded anticipated funding, Airport Services eliminated a significant portion of the project, specifically the pavement removal work so as to complete the regulatory portion of the project. The change in the scope reduced the anticipated project cost to approximately \$100,000. However, given the work, materials and limited number of contractors certified to install those markings, the result was the bid coming in at \$273,130, exceeding the project estimate by \$173,130.

By revising the project scope, replacing the thermoplastic markings with paint, eliminating the requirement for night work and other minor modifications, construction costs for this project are now estimated to be \$30,000. With the late changes required by the FAA and the revised scope of work following the previous bid, additional design work was required by the engineer not included in the previously Board approved work order. This work included, but was not limited to, multiple changes to the design drawings and an update to the FAA required airfield signage plan to reflect the changes to be made.

Due to the various changes and setbacks time has become of the essence. The regulatory work must be completed or Airport Services could face potential penalties from the FAA certification office. It is proposed the work be funded from the remaining proceeds of the Tax Reduction Reserve Fund loan provided to the Airport Enterprise fund for work on the

terminal expansion and parking lot upgrades. All work in this project is eligible for federal funding and Airport Services anticipates repaying the loan using proceeds from an AIP grant in CY 2013.

At the time the project Airports-SLO-Runway Safety Area Improvements #330016 was created, your Board authorized a budget adjustment in the amount of \$32,620 as initial funding for design. Airport Services requests your Board authorize a budget adjustment in the amount of \$65,750 to completely fund the project, including design for the original scope of work as well as additional work created due to FAA changes and project revision.

Engineers Construction Estimate		\$30,000
Project Design		\$68,370
Total		\$98,370
Less Previous BAR		\$32,620
Current BAR #1213022		\$65,750

RESULTS

By proceeding with the recommended actions Airport Services will be able to move forward in continuing to maintain compliance with FAA regulation. The project will improve the safety of operations at the regional airport and enhance our Safe Community goal.

ATTACHMENTS

1. Clerks Filed Document